



Maritime Allowance Working Group (MAWG)

4 MAR 03

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SEA 04L4B
202-781-1854**

OPN-8 FY 03 Spares Budget

OBLIGATIONS by SYSCOM

(Data taken from STARS-HQ and SIGMA as of

2/27/03)

<u>SYSCOM</u> <u>Unreleased</u>	<u>Authorized</u>	<u>Obligations</u>	<u>Commitments</u>	
NAVSEA (28%)	\$ 121.9M	\$ 54.2M (44%)	\$ 33.6M (28%)	\$ 34.1M
SPAWAR (79%)	27.9M	1.3M (5%)	4.6M (16%)	22.0M
NAVAIR (39%)	14.4M	4.4M (31%)	4.4M (30%)	5.6M
SSP (44%)	4.8M	0.7M (14%)	2.0M (42%)	2.1M
NAVFAC 0.1M (5%)	2.5M	0.3M (10%)	2.1M (85%)	

OPN-8 Outfitting Spares Account

	<u>\$M</u>
FY 03 OPN Outfitting Spares Control	33.998
NAVCOMPT Deferral	1.230
FY 03 Authorized	32.768

<u>Must Funds</u>	<u>Authorized (\$M)</u>	<u>Obs (\$M)</u>	<u>Obs %</u>	<u>On Hold</u>	<u>Data as</u>
<u>of</u>					
Q COSAL	\$12.0	\$ 1.756*	14.6%	0	2/21/03
Medical/Dental		4.9	3.536	31.3% 1,526	@ \$1.1M
	1/31/03				
AT/FP	2.84	0.653	23.0%	144 @ \$144K	2/07/03
DC Locker	2.4	0.148	6.2%	0	2/27/03
FWD DEP	1.2	0.602	50.2%	0	2/28/03
TRIDENT	2.4	0.745	31.0%	2,618 @	\$37.5K
	2/27/03				
TOTAL	\$25.747	7.440	28.9%	16 @ \$55K	

* New ASI process tested satisfactorily: Q Obs expected to increase significantly over next 30 days.

No Money File as of 2/24/03 \$24.7M

Current BG Pri Ship Pri NIIN	FY 02	11 @ \$ 0.382M
	FY 03	147 @ \$ 0.310M

FY 03 Supplemental Status/ Prioritization

- Indications are that \$35M Supplemental is Coming
 - Need to Ensure Obligations are Justified
- 14 Feb 03 VTC Held to Discuss this Issue; Key Results
 - OPNAV N412 to Investigate Mid-year Supplemental vice late Fiscal Year; Determine if Necessary to Increase Obligations Immediately to Obtain Supplemental
 - SEA 04L4 to Provide Pros/Cons of Reprogramming \$40M from Initial/Vendor Spares
 - SEA 04L4 to Develop Point Paper for FMB citing OPN-8 Obs are on track; explain why Initial/Vendor Spares Obligations Rates are low due to Contracts about ready to be Awarded

No Money (NM) File Reports

- NM File Reports are Available by TYCOM/Ship Class and by System
 - Includes the Number of Requisitions, Value, and “As of Date” (Current Reports available on CD)
 - FISC PS Web Safe
 - « Updated once a month (4th)
 - « Hardcopies mailed to TYCOM Reps
- NM/NA Point of Contact: Mr. Phil McCormick, (360) 476-6129

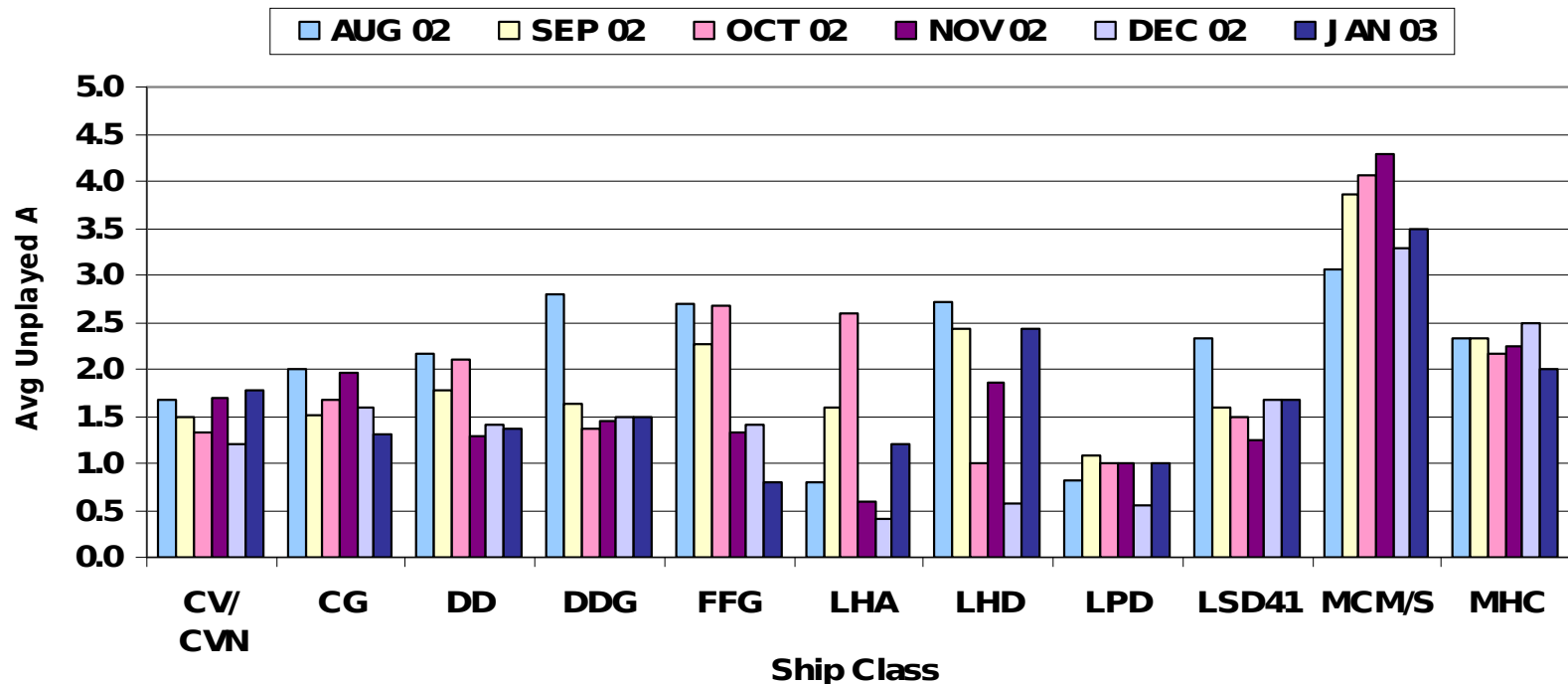
Fleet Concern: Ships not Running ASIs

- SEA 04L5 Tracks Monthly Metrics
- Points of Contact: Debra Wood & Ed Chergoski

ASI Processing - Unplayed Trend by Ship Class

Source: CDMD-OA

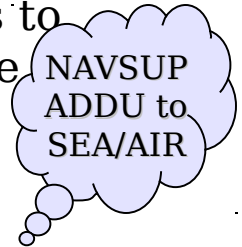
As of: 27 Jan 2003



OPN-8 Transition Status

Overarching Guidance

- **Virtual SYSCOM MOA dated 24 May 2002**
 - NAVSEA, NAVAIR, SPAWAR and NAVSUP agree to an examination of our supply and logistics functions to determine better ways to align and transform the execution of these functions and move towards a more common process where appropriate.”
- **ASN (RD&A) msg 112123Z Oct 02:**
 - COMNAVSUPSYSCOM will serve as the Logistics Support Authority for all the SYSCOMs. This **Virtual SYSCOM** approach will give visibility to potential disconnects or competing programs across all PEOs and SYSCOMs to ensure our resources are focused on only those efforts that provide the maximum benefit to the Fleet and Fleet Marine forces.”
- **Other Factors:**
 - 17% reduction in NAVSEA manning end of FY 04
 - NAVSEA portion of SECNAV \$670M “wedge” savings
 - SUPSHIP funding shortfalls (By FY 05, 62% reduction in end strength since 1990)



**Goal: Better Alignment Across
SYSCOM**

OPN-8 Transfer Status

NAVSEA NAVSUP Partnership

- **BACKGROUND**

- Virtual SYSCOM MOA:
 - « “We recognize that the aviation and ship processes for these functions are different. We agree to conclude an assessment of the current ship and aircraft processes and to make recommendations on how these functions can be better placed and operated/coordinated.”
- **NAVSEA and NAVSUP held several meetings; Agreements reached:**
 - « OPN Outfitting Spares Account initially considered for transfer; however, OPN/WPN Initial and Vendor Direct Spares, and SCN Outfitting are now being considered
 - « Will model the Aviation Spares Process
 - « NAVSEA retains the Budget Submission Office (BSO) responsibilities for Spares accounts
- **NAVSEA/NAVSUP transition MOA in development**
 - « Phased approach starting 1 Oct 03

OPN-8 Transfer Status

NAVSEA NAVSUP Partnership

Concept of Operations

- **Use Aviation Model (As outlined in the existing AIR/SUP MOA)**
 - NAVSEA remains Budget Submitting Office (BSO) for spares
 - NAVICP acts as NAVSEA's agent for spares

- **Use Phased approach to ensure low risk to Fleet customer**
Implementation - Phase I

- NAVICP coordinates/prepares OPN/WPN POM/PR/CP/Budget submits for NAVSEA (NAVSEA will assist, as needed, during transition) ... Timeframe - Oct 03
- NAVSEA will review, validate and submit POM/PR/CP/Budget material to SEA 01, OPNAV, and FMB ... Timeframe - Continuously (does not change during any Phase)
- Execution remains at FISC PS* using current IT systems (ACTS/ORCAS) to maintain financial integrity pending approved migration plan & Performance Based Agreement
Timeframe - TBD: When ICP-M has tested and demonstrated the full capability to meet all performance criteria to the satisfaction of the FLEET and NAVSEA.
 - « Primary area of concern is Financials
 - « Impact of transition to FMS & SCN must be assessed
- NAVSEALOG continues current allowance validation, HIVAL reviews, NAVICP asset screening, Push/Pull, and residual material screening
- SCN Outfitting - No change to budget development - Migration of SCN requisition execution, currently at FISC PS, to ICP-M will occur in the same timeframe as OPN pending demonstration of performance capability.
- Initial/Vendor Direct Spares funding remains with PEOs, PMs, and SYSCOMs

* - could be converted to ICP billets in place in anticipation of migration

OPN-8 Transfer Status

NAVSEA NAVSUP Partnership

Concept of Operations (Cont'd)

Implementation - Phase II

- Transfer FISC Puget functions to NAVICP (current processes)
- Transfer spares portion of SCN Outfitting to NAVICP
 - « NAVSEA will retain field activity funding and functions (e.g., FTCs, etc)
- Implement re-engineered allowance process
- Initial/Vendor Direct Spares funding remains with PEOs, PMs, and SYSCOMs. ICP-M will negotiate with each PEO for possible future execution of funding

Specific timing based on Fleet/SEA/SUP approval

OPN-8 Transfer Status

- **NAVSEA/NAVSUP MOA in final Draft and being Reviewed**
- **Recent Decisions**
 - ICP-M to Utilize ORCAS
 - « Next ORCAS Program Review Scheduled for 26 Mar 03
 - OPN-8 Allowance Re-engineering Concept/Model to be Developed with Fleet Participation
 - 1 Oct 03-Transfer FISC Puget Sound Outfitting Functions to ICP-M
- **Next OPN-8 Transfer Meeting to Assess POA&M Requirements and Finalize MOA**
 - Scheduled for 27 Mar 03 at NSLC Pacific

MAWG
Mar 03
Back-up Slides

NAVSEA TO NAVSUP/NAVICP TRANSITION

PROGRAMMING FUNCTION			
FUNCTION	CURRENT	PHASE I	PHASE II
<ul style="list-style-type: none"> • Issue Papers and Capabilities Plan (CP) 	SEA 04L4 responsible for: <ul style="list-style-type: none"> • Data collection • Liaison with PEOs, OPNAV Assessment and Resource Sponsors 	NAVICP-M responsible for: <ul style="list-style-type: none"> • Data collection • Liaison with PEOs, OPNAV Assessment and Resource Sponsors • Forwarding data to SEA 04L4 <hr/> SEA 04L4 responsible for: <ul style="list-style-type: none"> • SEA 04L4 to review/approve data prior to official release to OPNAV 	<ul style="list-style-type: none"> • Same
<ul style="list-style-type: none"> • Capabilities Plan (CP) Disk Submittal 	SEA 04L4 : <ul style="list-style-type: none"> • Receives OPN/WPN Spares CP Call Letter from OPNAV • Responsible for PSD/P-18 update data call tp Program Offices • Sets PARTS “lock/unlock” dates • Enters requirements onto disk and forwards to OPNAV N412 	NAVICP-M: <ul style="list-style-type: none"> • Receives OPN/WPN Spares CP Call Letter • Responsible for PSD/P-18 update data call • Sets PARTS “lock/unlock” dates • Enters requirements onto disk and forwards to OPNAV N412 <hr/> SEA 04L4: <ul style="list-style-type: none"> • Retains review and approval authority of disk prior to submittal to OPNAV N412 • Serves in advisory role as needed on all related matters 	<ul style="list-style-type: none"> • Same

NAVSEA TO NAVSUP/NAVICP TRANSITION

PROGRAMMING FUNCTION continued			
FUNCTION	CURRENT	PHASE I	PHASE II
<ul style="list-style-type: none"> • CP On-Site Reviews 	SEA 04L4: <ul style="list-style-type: none"> • Develops review schedule and compiles CP review binders based on OPNAV N412 list of programs • Presents OPN Outfitting portions of review • Attends/advises Initial/Vendor Direct reviews presented by applicable PEOs • Ensures compliance with resultant action items 	NAVICP-M: <ul style="list-style-type: none"> • Develops review schedule and compiles CP review binders based on OPNAV N412 list of programs • Presents OPN Outfitting portions of review • Attends/advises Initial/Vendor Direct reviews presented by applicable PEOs • Ensures compliance with resultant action items 	<ul style="list-style-type: none"> • Same
		SEA 04L4: <ul style="list-style-type: none"> • Retains review and approval authority of OPN Outfitting • Continues advisory role as needed • Program Offices/PEOs retain Initial/Vendor Direct responsibility 	
<ul style="list-style-type: none"> • CP Variance Sheets 	<ul style="list-style-type: none"> • SEA 04L4 responsible for OPN Outfitting Spares portion • Program Offices/PEOs responsible for Initial/Vendor Direct Spares portion 	<ul style="list-style-type: none"> • NAVICP-M assumes responsibility for OPN Outfitting Variance Sheets • Program Offices/PEOs retain Initial/Vendor Direct responsibility 	<ul style="list-style-type: none"> • Same

NAVSEA TO NAVSUP/NAVICP TRANSITION

BUDGETING FUNCTION			
FUNCTION	CURRENT	PHASE I	PHASE II
<ul style="list-style-type: none"> Budget Submittals 	SEA 04L4: <ul style="list-style-type: none"> Acts as Echelon II Budget Submitting Office (BSO) Receives budget calls and controls from Comptroller Assigns OPN/WPN Initial and Vendor Direct Controls based upon requirements, assessments and funds availability, and CLI/PE by OPNAV Resource Sponsors, corporate history Receives OPN/WPN Spares budget inputs from other SYSCOMs and checks for accuracy Submits consolidated Spares budget package to NAVSEA Comptroller Prepares/submits concurrently required items per guidance (ex. BOCS) 	NAVICP-M: <ul style="list-style-type: none"> Receives budget controls and guidance from SEA 04L4 Drafts NAVSEA OPN/WPN Spares controls by program and spares type Collects budget inputs from other SYSCOMs Submits draft consolidated OPN-8 and WPN-6 Spares budget packages to SEA 04L4 Drafts BOCS and/or other concurrently required items 	<ul style="list-style-type: none"> Same
		SEA 04L4: <ul style="list-style-type: none"> Retains role as Echelon II BSO Receives/forwards budget calls from Comptroller Reviews/approves draft packages and submits to NAVSEA Comptroller 	
<ul style="list-style-type: none"> Budget Reductions and Reclamas 	SEA 04L4: <ul style="list-style-type: none"> Receives notification from NAVSEA Comptroller Prepares reclama response to OPN Outfitting reductions in concert with OPNAV N412 and Resource Sponsor inputs Prepares reclama response to OPN/WPN Initial and Vendor Direct marks in concert with applicable PEO/Program Office, OPNAV N412, and Resource 	NAVICP-M: <ul style="list-style-type: none"> Drafts reclamas in concert with SEA 04L4, applicable PEO/Program Office, OPNAV N412, and Resource Sponsor inputs. 	<ul style="list-style-type: none"> Same
		• Assigns draft program reductions resulting from failed reclamas SEA 04L4: <ul style="list-style-type: none"> Retains role as Echelon II BSO Reviews, approves and submits reclamas to NAVSEA Comptroller 	

NAVSEA TO NAVSUP/NAVICP TRANSITION

EXECUTION FUNCTION			
FUNCTION	CURRENT	PHASE I	PHASE II
<ul style="list-style-type: none"> • OPN Outfitting 	<p>SEA 04L4:</p> <ul style="list-style-type: none"> • Acts as RFM; owns funding • Agent for all OPN Outfitting Spares funding – NAVSEA, SPAWAR, NAVAIR • Prepares funding documents and executes funding • Processes requisitions via FISC Puget Sound and SEALOG <p>FISC Puget Sound:</p> <ul style="list-style-type: none"> • Serves as TOB • Releases requisitions per SEA 04L4 guidance • Provides requisition/allotment accounting via ACTS (eventually ORCAS) 	<p>NAVICP-M:</p> <ul style="list-style-type: none"> • Will receive funding from SEA 04L4 for issue to FISC Puget Sound and other funded activities (ex. NAVMED) • Will direct processing of requisitions via FISC Puget Sound 	<ul style="list-style-type: none"> • NAVICP-M: • Will receive funding from SEA 04L4 • Process requisitions via Re-engineered process at NAVICP-M
		<p>SEA 04L4:</p> <ul style="list-style-type: none"> • Retains RFM role and ownership of funds • Retains management oversight responsibility 	<ul style="list-style-type: none"> • SEA 04L4: • Retains RFM role and ownership of funds • Retains management oversight responsibility
		<p>FISC Puget Sound:</p> <ul style="list-style-type: none"> • Remains TOB using current IT systems • SEALOG continues current requisition validation roles 	

NAVSEA TO NAVSUP/NAVICP TRANSITION

EXECUTION FUNCTION continued			
FUNCTION	CURRENT	PHASE I	PHASE II
<ul style="list-style-type: none"> • OPN/WPN Initial and Vendor Direct Spares 	<p>SEA 04L4:</p> <ul style="list-style-type: none"> • Monitors NAVSEA obligations to ensure compliance with FMB benchmarks • As BSO, reallocates available NAVSEA funding as required for execution by NAVSEA PEOs/Program Offices • NAVSEA PEOs and Program Offices own and execute NAVSEA funding per controls allocated by SEA 04L4 (BSO) • Non-NAVSEA SYSCOMS (SPAWAR, NAVAIR, NAVFAC, SSP) own and execute their funding without SEA 04L4 oversight 	<p>NAVICP-M:</p> <ul style="list-style-type: none"> • Monitors NAVSEA obligations to ensure compliance with FMB benchmarks • Drafts reallocations of available NAVSEA funding as required for execution by NAVSEA PEOs and Program Offices • NAVSEA PEOs and Program Offices <u>own and execute</u> 	<ul style="list-style-type: none"> • Same
		<p>NAVSEA funding per controls allocated by SEA 04L4 (BSO). ICP-M will negotiate with each PEO for possible future <u>execution of funding</u></p>	
		<ul style="list-style-type: none"> • Non-NAVSEA SYSCOMS (SPAWAR, NAVAIR, NAVFAC, SSP) own and execute their funding 	
		<p>SEA 04L4:</p> <ul style="list-style-type: none"> • Retains BSO capacity • Reviews, approves, and submits reallocation actions to Comptroller • Serves in advisory capacity on all related matters 	

NAVSEA TO NAVSUP/NAVICP TRANSITION

EXECUTION FUNCTION <i>continued</i>			
FUNCTION	CURRENT	PHASE I	PHASE II
<ul style="list-style-type: none"> • Mid-Year Execution Status Reports (ESR) 	<p>SEA 04L4:</p> <ul style="list-style-type: none"> • As BSO, receives guidance and ESR templates from Comptroller • Compares current STARS to STARS “lock” provided by Comptroller and updates ESR as necessary. • Works with PEOs and Program Offices of programs not meeting mid-year obligation benchmark (46%) on revised spend plan to achieve 92% benchmark by end of FY • Submits completed ESR to Comptroller • Reallocates funds as required based upon PEO and Program Office inputs and obligation compliance. 	<p>NAVICP-M:</p> <ul style="list-style-type: none"> • Receives guidance, ESR templates, and current STARS data forwarded by SEA 04L4 (BSO) • Compares current STARS to STARS “lock” provided by Comptroller and updates ESR as necessary. • Works with PEOs and Program Offices of programs not meeting mid-year obligation benchmark (46%) on revised spend plan to achieve 92% benchmark by end of FY • Submits completed draft ESR 	<ul style="list-style-type: none"> • Same
		<p>to SEA 04L4 for review and forward to Comptroller</p> <p>SEA 04L4:</p> <ul style="list-style-type: none"> • Retains BSO role • Forwards guidance and ESR templates to NAVICP-M • Reviews and approves draft ESR completed by NAVICP-M and submits to Comptroller • Reallocates funds as required based upon PEO and Program Office inputs and obligation compliance. 	

NAVSEA TO NAVSUP/NAVICP TRANSITION

EXECUTION FUNCTION continued			
FUNCTION	CURRENT	PHASE I	PHASE II
<ul style="list-style-type: none"> Continuing Resolution Authority (CRA) 	<p>SEA 04L4:</p> <ul style="list-style-type: none"> As BSO, receives guidance and CRA templates from Comptroller Prepares response for any OPN Outfitting Spares CRA requirements Works with PEOs and Program Offices of Initial and Vendor Direct Spares to determine 15, 30, 45, 60, and 90 day CRA requirements Consolidates and submits completed CRA request to Comptroller Notifies applicable PEOs and Program Offices of Comptroller response to CRA requests 	<p>NAVICP-M:</p> <ul style="list-style-type: none"> Receives guidance and CRA templates forwarded by SEA 04L4 (BSO) Drafts response for any OPN Outfitting Spares CRA requirements for review by SEA 04L4 Works with PEOs and Program Offices of Initial and Vendor Direct Spares to determine 15, 30, 45, 60, and 90 day CRA requirements Consolidates and submits draft CRA request for SEA 04L4 review 	<ul style="list-style-type: none"> Same
		<ul style="list-style-type: none"> Notifies applicable PEOs and Program Offices of Comptroller response to CRA requests <p>SEA 04L4:</p> <ul style="list-style-type: none"> Retains BSO role Forwards guidance and CRA templates to NAVICP-M Reviews and approves draft CRA completed by NAVICP-M and submits to Comptroller Notifies applicable PEOs and Program Offices of Comptroller response to CRA requests 	